

Top 10 Late Payment Excuses and How to Handle Them

Late payments can cause significant disruption to a business's cash flow and operations. Unfortunately, debtors often come armed with an array of excuses for not settling their invoices on time.

Here are the top 10 late payment excuses commonly encountered, along with strategies for addressing them effectively.

1

"We haven't received the invoice."

This is one of the most frequent excuses, and it often highlights a breakdown in communication. Debtors may claim that the invoice was lost in the mail or never arrived in their inbox.

Solution:

- Verify the recipient's email or postal address before sending invoices.
- Use email read receipts or postal tracking to confirm delivery.
- Provide a copy of the invoice promptly when this excuse is used.

2

"The person who approves payments is unavailable."

Whether they're on holiday or off sick, the absence of a key decision-maker is a common delay tactic.

Solution:

- Request an alternative contact for payment approval.
- Politely ask for a specific payment timeline once the approver returns.
- Escalate to another authorised person if delays persist.

3

"We're waiting for payment from our client."

Some businesses try to justify their delay by blaming cash flow issues caused by their own clients' late payments.

Solution:

- Emphasise the terms of your agreement and their responsibility to pay.
- Offer a repayment plan if appropriate but set clear deadlines.
- Highlight the importance of honouring commitments regardless of their financial challenges.

4

"We're experiencing financial difficulties."

This excuse can be genuine or a stalling tactic. Either way, it's essential to handle it sensitively.

Solution:

- Discuss potential payment options, such as instalments.
- Request evidence of financial hardship if appropriate.
- Ensure follow-up deadlines are agreed upon and documented.

5

"The invoice is incorrect."

Debtors may claim that there are errors on the invoice as a reason to delay payment.

Solution:

- Double-check all invoices for accuracy before sending.
- Quickly rectify any genuine errors and resubmit the invoice.
- If the claim of inaccuracy is false, request written details of the supposed issue.

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6

“We’ve changed our payment system.”

A change in payment processes or systems is often used as an excuse for delays.

Solution:

- Confirm their new payment process and requirements immediately.
- Resubmit invoices according to their updated system.
- Follow up to ensure no further delays.

7

“The cheque is in the post.”

This classic excuse is still used by some debtors to buy extra time.

Solution:

- Request a tracking number or proof of postage.
- Suggest switching to electronic payment methods for faster processing.
- Follow up promptly if the cheque doesn’t arrive within a reasonable timeframe.

8

“We’ve already paid.”

Debtors may claim that payment has already been made to avoid further follow-up.

Solution:

- Request proof of payment, such as a remittance advice or bank statement.
- Verify your records to ensure no errors were made on your end.
- Confirm that payments were made to the correct account.

9

“We’re reviewing the invoice.”

Some clients delay payment by stating they need more time to verify the details of the invoice.

Solution:

- Provide all supporting documents upfront to prevent delays.
- Set a clear deadline for the review and follow up accordingly.
- Offer to assist with any questions or clarifications.

10

“We’re short-staffed.”

This excuse is often used during busy periods, such as the end of the financial year.

Solution:

- Request a clear timeline for when the payment will be processed.
- Suggest sending reminders closer to the promised payment date.
- Stay firm yet understanding to maintain professionalism.

Final Thoughts

Late payments can be a frustrating obstacle for any business. By anticipating these common excuses and preparing proactive solutions, you can minimise delays and maintain a healthy cash flow. Remember, clear communication and professionalism are key to resolving payment issues efficiently.

If you’re struggling with late payments and need expert assistance, contact Federal Management for professional debt recovery services tailored to your business needs.